

## Message Text

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21

ACTION EA-14

INFO OCT-01 ISO-00 TRSE-00 OMB-01 AID-20 MC-02 ACDA-19

EB-11 COME-00 CIAE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20 USIA-15 DRC-01

/143 W

----- 119820

P 030400Z JUL 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 4877

INFO SECDEF WASHDC PRIORITY

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E.O. 11652: N/A

TAGS: EGEN, ETRD, MASS, RP, US

SUBJECT: M-16 RIFLE FACILITY

1. UNDERSECRETARY OF NATIONAL DEFENSE SALIENTES  
HAS PROVIDED EMBASSY COPY OF JUNE 27 TELEX FROM  
COLT INDUSTRIES IN WHICH JUNE 13 LETTER FROM  
MUNITIONS CONTROL TO COLT IS QUOTED AS APPROVING COLT-  
GOP AGREEMENT SUBJECT TO THE FOLLOWING LIMITATIONS,  
PROVISOS AND OTHER REQUIREMENTS:

(1) UNLESS LATER AMENDED THIS APPROVAL  
EXPIRES JUNE 30, 1980.

(2) ONE COPY OF THE SIGNED AGREEMENT (OR  
AMENDMENT) AS FINALLY CONCLUDED IS REQUIRED BY THE  
DEPARTMENT.

(3) TECHNICAL ASSISTANCE AGREEMENT XIV, 1--  
THIRD SENTENCE MUST BE CHANGED TO DELETE FIRST PHRASE  
AND WORDS "AT LEAST", AND WILL THEN READ "TOTAL  
PRODUCTION IS TO BE 150,000..."

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(4) TECHNICAL ASSISTANCE AGREEMENT XVII-- IN LAST SENTENCE DELETE "AND" BEFORE "DULY SIGNED" AND ADD "AND THE PRIOR WRITTEN APPROVAL OF THE DEPARTMENT OF STATE".

(5) TECHNICAL ASSISTANCE AGREEMENT XX, 2-- MODIFY FIRST SENTENCE TO READ "ALL TECHNICAL DATA... WILL BE USED ONLY FOR DEFENSIVE MILITARY PURPOSES IN THE PHILIPPINES". -AND DELETE ENTIRE SECOND SENTENCE.

(6) LICENSE AGREEMENT I, 3-- CHANGE TO READ "MILITARY USE MEANS USE BY LICENSEE FOR DEFENSIVE MILITARY PURPOSES IN THE PHILIPPINES."

(7) LICENSE AGREEMENT II, 1C --DELETE ENTIRELY.

(8) LICENSE AGREEMENT II, 2-- END PARAGRAPH WITH "RIGHTS." IN LINE 2 AND DELETE BALANCE OF PARAGRAPH.

(9) LICENSE AGREEMENT V, 2-- LINE 13 DELETE WORD "MINIMUM".

(10) LICENSE AGREEMENT V, 3 --DELETE ENTIRE FIRST SENTENCE.

(11) LICENSE AGREEMENT VIII, 1-- LINE 16 DELETE WORDS "MINIMUM QUANTITY OF".

(12) LICENSE AGREEMENT XIV-- LINE 4 DELETE WORD "MINIMUM".

(13) LICENSE AGREEMENT XXII, 5-- FIRST SENTENCE MUST BE CLARIFIED TO CLARIFY INTENT.

2. SALIENTES SAID GOP AGREEABLE TO GENERAL THRUST OF PROVISOS BUT WOULD PREFER THAT ARTICLE XIV OF TECHNICAL ASSISTANCE AGREEMENT (PROVISO 3 ) BE WORDED AS FOLLOWS:

QUOTE ARTICLE XIV- PRODUCTION PLANS AND OBJECTIVES

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1. THE PARTIES' INTENT IS THAT THE LICENSEE WILL BE ABLE TO MANUFACTURE OR HAVE MANUFACTURED FOR TI THE WEAPONS AND ULTIMATELY 100 PERCENT OF THE NON-STANDARD PARTS THEREFOR. THE EVENTUAL PRODUCTION RATE IS PLANNED TO BE APPROXIMATELY 2,500 RIFLES PER MONTH ON A ONE SHIFT BASIS. TOTAL PRODUCTION CONTEMPLATED UNDER THIS TECHNICAL ASSISTANCE AGREEMENT IS 150,000 RIFLES (TO INCLUDE 5,000 RIFLES, OR SUCH OTHER LARGER QUANTITIES AS

MAY BE MUTUALLY AGREED UPON, ASSEMBLED AT THE COLT PLANT),  
PLUS SPARE PARTS APPROXIMATELY EQUAL IN VALUE TO  
22,500 RIFLES.

2. THE LICENSEE WILL NOT SELL, EXPORT, OR OTHERWISE  
TRANSFER TITLE TO OR POSSESSION OF RIFLES,  
COMPONENTS, PRODUCTION EQUIPMENT, DOCUMENTATION OR ANY  
OTHER ITEM PURCHASED OR RECEIVED FROM THE USG UNDER  
THE PROGRAM TO ANYONE NOT AN OFFICER OR EMPLOYEE OF THE  
LICENSEE WITHOUT THE WRITTEN CONSENT OF THE USG.

3. ALL COLT SERVICES UNDER THIS AGREEMENT,  
INCLUDING THE SERVICES AS PURCHASING AGENT IN ACCORDANCE  
WITH ARTICLE VII HEREOF, WILL BE PLANNED TO ACCORD WITH  
THE PLANS AND OBJECTIVES DESCRIBED IN PARAGRAPH 1.  
END QUOTE.

3. EMBASSY BELIEVES SLIGHT MODIFICATION PROPOSED BY  
GOP PRESERVES FULLY INTENT OF MUNITIONS CONTROL TO  
REQUIRE PRIOR USG APPROVAL OF ANY PRODUCTION BEYOND  
150,000 RIFLES AND 22,500 RIFLES SPARES EQUIVALENT  
AND URGES EXPEDITIOUS APPROVAL OF NEW ARTICLE XIV.

4. PLEASE REPLY BY PRIORITY CABLE.  
SULLIVAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MUNITIONS INDUSTRY, AGREEMENTS, TECHNICAL ASSISTANCE, ARMS PRODUCTION, MUNITIONS CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 JUL 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974MANILA07861  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740176-0181  
**From:** MANILA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 140  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 08 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <08-Aug-2002 by rowelle0>; APPROVED <19 FEB 2003 by shawdg>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** M-16 RIFLE FACILITY  
**TAGS:** EGEN, ETRD, MASS, RP, US, COLT INDUSTRIES  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005